GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1715
ANSWERED ON:12.03.2007
MODERNISATION OF IISCO
Pallani Shamy Shri K.C .

Will the Minister of STEEL be pleased to state:

(a) whether Indian Iron and Steel Company (IISCO) has been incurring losses;

(b) if so, the details thereof alongwith the reasons therefor during the last three years;

(c) whether the Government has any proposal to expand and modernise the IISCO;

(d) if so, the amount earmarked for the same; and

(e) the time by which the expansion and modernisation plan would be completed?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): IISCO Steel Plant (ISP)/SAIL has incurred losses over the years due to factors like its old plants and machinery, obsolete technology, lack of capital investment due to poor financial health and increase in input prices of coal and coke. However, in the years 2003-04 and 2004-05 ISP had earned Profit Before Tax (PBT) of Rs.27 crores and Rs.47 crores respectively. Profit/Loss

(before tax) of ISP during the last three years and 9 months (9M) of 2006-07 (upto December, 2006) is as under:-

(Rupees in crores)

Plant	Profit/Loss (-) before tax			
	2003-04	2004-05	2005-06	9 M 2006-07
ISP	27	47	- 258	- 149

(c)to(e): After merger of ISP with SAIL, a proposal for expansion and modernisation of ISP has been approved by the Board of Directors of SAIL. The proposal envisages an investment of about Rs.9,592 crores with completion scheduled by the year 2010.